

CITY OF HORSESHOE BAY

CITY COUNCIL PUBLIC MEETING

September 6, 2007

The Council of the City of Horseshoe Bay held a Public Meeting at City Hall, located at #1 Community Drive, Horseshoe Bay, Llano County, Texas, September 6, 2007, in accordance with duly posted notice of said meeting. Mayor Lambert called the meeting to order at 10:00 a.m. with a quorum of Council Members present as follows:

Robert W. Lambert, Mayor
James E. Babcock, Mayor Pro Tem
John Bird, Alderman
Karen Wines, Alderwoman
Richard Rantzow, Alderman
Jeff Robinson, Alderman

The posted agenda for this meeting is made a part of these minutes by attachment and the minutes are herewith recorded in the order the agenda items were considered with the agenda subject and item number shown preceding the applicable paragraph.

1. Call the Public Meeting to Order and Establish a Quorum: Mayor Lambert called the Public Meeting to order at 10:00 a.m. with a quorum present.
2. Convene Budget Workshop: Mayor Lambert convened the budget workshop and welcomed all who were in attendance. He reported that the schedule for this workshop is to first receive the utility rate study report prepared by Water Resources Management and next to hear a report on medical insurance alternatives presented by Dale Sands and then discuss the proposed FY2008 budget. He then stated that former Alderman Don Wood was in attendance at the meeting today and that he had been very helpful in the rate study, noting that his projections last year were very close to those resulting from the current rate study. At this time Mayor Lambert introduced Nelisa Heddin. Ms Heddin thanked the Council for allowing Water Resources Management to do the City's rate study and she complimented the staff on their knowledge and dedication to the project. She then presented the utility rate study which included their methodology for determining the rates, their findings and their recommendations. Their recommended rate design is structured based on customer class, meter size and consumption with recommended rates that will meet the budgeted revenue requirements. All were in agreement with this type of rate structure. The recommended rates will be incorporated into the City's Schedule of Services and Rates to be submitted to the Council on September 18th.

Regular Meeting Adjourned for a Recess: At 11:45 a.m., Mayor Lambert announced that the meeting would adjourn for a short recess.

Regular Meeting Resumed: At 11:55 a.m., Mayor Lambert reconvened the meeting.

Mayor Lambert introduced the City's medical insurance agent Dale Sands who discussed the current medical insurance plan with Blue Cross Blue Shield noting that if the City chooses to renew this plan there will be a 12% increase in the premium. He also reported that the City's dental plan with Mutual of Omaha will have no increase for next year. The City's renewal date for both plans is December 1, 2007. Mr. Sands stated that the current medical plan is a very generous plan with a \$250 deductible which is very rare in today's market. He then presented alternative plans that would decrease the expense to the City as well as to the employees who have dependent coverage. He recommended Alternate Plan B-12 which is basically the same as the current plan but has a \$500 deductible and a \$1500 per year out of pocket maximum. The premiums for this plan would be a 5.63% increase over the current plan premium. All were in agreement that the City should consider Alternate Plan B-12 upon the renewal date.

Mayor Lambert then led a discussion on the General Fund and the tax rate reporting that the 2007 certified taxable value is \$1,251,000,000 as compared to \$960,000,000 last year. He noted that \$88M of the increase in value is due to new construction. Discussions followed regarding considering reducing the tax rate lower than the proposed tax rate of \$.425 to \$.40. It was also decided to add \$50,000 more to the contingency. Mayor Lambert stated that staff would get a revised version of the budget including the objectives discussed at today's meeting distributed to the Council as soon as possible.

3. Adjournment: There being no further discussion, Alderman Rantzow made a motion to adjourn the meeting. Alderman Bird seconded the motion and the meeting was adjourned at 1:10 p.m.

APPROVED this 18th day of September, 2007.

/S/
Robert W. Lambert, Mayor

ATTEST:

/S/
Toni Vanderburg, City Secretary